

Introduced by Senator RunnerFebruary 19, 2010

An act to amend Section 19777.5 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1251, as introduced, Runner. Income taxes: tax amnesty programs: penalties.

Existing law requires the Franchise Tax Board to administer tax amnesty programs during the period beginning February 1, 2005, and ending on March 31, 2005, inclusive, or during any other 2-month period ending before June 30, 2005, as provided. Under existing tax law, certain taxpayers are subject to a 50% amnesty penalty, which is an amount equal to 50% of the accrued underpayment interest payable for a specified period, if they have a balance due either on or after March 31, 2005, as provided.

This bill would make technical, nonsubstantive changes to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 19777.5 of the Revenue and Taxation
- 2 Code is amended to read:
- 3 19777.5. (a) There shall be added to the tax for each taxable
- 4 year for which amnesty could have been requested:
- 5 (1) For amounts that are due and payable on the last day of the
- 6 amnesty period, an amount equal to 50 percent of the accrued

1 interest payable under Section 19101 for the period beginning on
2 the last date prescribed by law for the payment of that tax
3 (determined without regard to extensions) and ending on the last
4 day of the amnesty period specified in Section 19731.

5 (2) For amounts that become due and payable after the last date
6 of the amnesty period, an amount equal to 50 percent of the interest
7 computed under Section 19101 on any final amount, including
8 final deficiencies and self-assessed amounts, for the period
9 beginning on the last date prescribed by law for the payment of
10 the tax for the year of the deficiency (determined without regard
11 to extensions) and ending on the last day of the amnesty period
12 specified in Section 19731.

13 (3) For purposes of paragraph (2), Sections 19107, 19108,
14 19110, and 19113 shall apply in determining the amount computed
15 under Section 19101.

16 (b) The penalty imposed by this section is in addition to any
17 other penalty imposed under Part 10 (commencing with Section
18 17001), Part 11 (commencing with Section 23001), or this part.

19 (c) This section does not apply to any amounts that are treated
20 as paid during the amnesty program period under paragraph (4)
21 of subdivision (a) of Section 19733 or paragraph (1) of subdivision
22 (b) of Section 19733.

23 (d) Article 3 (commencing with Section 19031), ~~(relating~~
24 ~~relating to deficiency assessments)~~ *assessments*, shall not apply
25 with respect to the assessment or collection of any penalty imposed
26 by subdivision (a).

27 (e) (1) Notwithstanding Chapter 6 (commencing with Section
28 19301), a taxpayer may not file a claim for refund or credit for any
29 amounts paid in connection with the penalty imposed in subdivision
30 (a), except as provided in paragraph (2).

31 (2) A taxpayer may file a claim for refund for any amounts paid
32 to satisfy a penalty imposed under subdivision (a) on the grounds
33 that the amount of the penalty was not properly computed by the
34 Franchise Tax Board.

35 (f) Notwithstanding Section 18415, the amendments made to
36 this section by the act adding this subdivision shall apply to
37 penalties imposed under paragraph (2) of subdivision (a) after
38 March 31, 2005.

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